

1 MR. THOMAS THANAS, CORPORATON COUNSEL, JOLIET, IL

2
3 MR. THANAS: Thank you, Commissioner James. My name
4 is Tom Thanas, corporation counsel or city attorney of Joliet,
5 Illinois. I will try to be a passionate proponent of riverboat
6 gaming. I know you heard many dispassionate proponents, but I'm
7 very passionate about the topic. I've been with the city of
8 Joliet since 1981, and I share that with you solely for the
9 purpose of letting you know that I know what Joliet was like
10 before riverboat gaming and what it's been like after riverboat
11 gaming.

12 Joliet is 45 miles southwest of this building. We're
13 considered to be in the Chicago market. I can give you a small
14 snapshot of what Joliet was like in the late 70's and through the
15 1980's. It's a story that you've heard quite frequently here
16 today, especially from the representative from Gary and some of
17 the other rust belt towns that have been referred to earlier. We
18 had industry leaving, industry closing, unemployment rates that
19 were skyrocketing. Our only chance at national fame was to let
20 the world know that we had 25 percent unemployment in the early
21 1980's. Crime rates were going up, gang activity was going up.
22 There was no growth. We had 16 building permits for single
23 family houses issued in 1982 which made our building inspector
24 about as friendly as the Magtag repairman. He didn't have much
25 to do.

26 We had a dying downtown, retail was leaving, going to
27 the outskirts and other towns for the mega mall centers. We had
28 a brain drain going on where college graduates from the area were
29 going out to other places where they could get jobs that paid

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1 well. Those just weren't in Joliet. So it's a common theme that
2 you've heard already today from other people who have testified
3 before you.

4 In the late 80's the city of Joliet and a private
5 business support agency called Center for Economic Development,
6 also affiliated with the Chamber of Commerce, got together and
7 commissioned a study to be done as to how we could repair the
8 damage that had been done by the recession of the late 70's and
9 early 80's. The result of that was the City Center Redevelopment
10 Plan and it was a plan that was designed to help us rebuild
11 Joliet from the inside out, in other words, start with our
12 downtown center that had been ravaged by retail operations
13 leaving almost on a weekly basis and other problems that had
14 plagued us.

15 At the same time we were doing our city center
16 development plan in the late 80's and 1990, Iowa, as you heard
17 earlier today, embarked upon a project for riverboat casinos in
18 their state. Illinois, seeing a potential for Illinois dollars
19 going west, at that time the legislature, under the guidance of
20 then Governor Thompson, pursued legislation for the state of
21 Illinois. On February 7th, 1990 Governor Thompson, for whom this
22 room is named, signed the Riverboat Gambling Act in the state of
23 Illinois in Joliet, in a city park overlooking our dying
24 downtown.

25 He pointed to the downtown area of Joliet and said
26 this is what the Riverboat Gambling Act is intended to fix.
27 Right off the bat, the marriage proved to be a very good one
28 between the city of Joliet and riverboat gambling. We were able
29 to basically bring our plan, what was intended to be a 20 year

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1 development plan, bring it to fruition within five years, and
2 that was done through the cooperation of two riverboat companies
3 that located within the city limits of Joliet.

4 One was the Empress River Casino that opened up in
5 June of 1992. The second one was Harrah's, an internationally
6 known operation, that opened up in May of 1993. The Empress was
7 owned by local investors and local dollars were put into it and
8 the profits have remained in the Joliet area. The result was we
9 had a lot of action inside the casinos, but the real action was
10 outside the casinos in the streets and the neighborhoods of the
11 city of Joliet.

12 The effect of riverboat gaming on Joliet and the
13 Joliet area has been tremendous. The city of Joliet receives
14 approximately \$60,000 a day from gaming revenue. That's off the
15 one dollar head tax that the city receives, along with a five
16 percent wagering tax that the city receives. My paper indicates
17 that by the end of 1998 the city will have received in six short
18 years \$135 million. But that's not the only impact that it has
19 had on the city of Joliet and the surrounding area.

20 The primary effect has been the creation of jobs.
21 Each boat company came to Joliet and immediately hired 2,000
22 people, 2,000 for each company and basically put a lot of people
23 who weren't working back to work or gave better paying jobs to
24 people who had lower paying jobs. Harrah's commissioned a study
25 of its own in 1996 and showed that Harrah's had taken eight
26 percent of its work force off of welfare when it hired in Joliet.
27 It also showed that Harrah's employees bought 970 cars in 1996.
28 It showed that Harrah's employees ate 14,500 meals in local

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1 restaurants each month, and 16 percent of Harrah's employees
2 bought 294 homes in Joliet or the surrounding communities.

3 Other effects resulted from riverboat gaming.
4 Certainly the fruition of the city center redevelopment plan was
5 a real dream for all of us. A boat basin was constructed in the
6 middle of downtown Joliet, on a river that many of us neglected
7 for many years because we thought it was just a barge canal. We
8 also had an opportunity to rebuild our old neighborhoods,
9 neighborhoods in the city of Joliet that had not seen a city
10 truck in many, many years. We were able to build new streets,
11 new storm sewers, curb and gutter, sidewalks, street lights and
12 basically bring new life into old decaying neighborhoods.

13 In the six short years that we've had gaming we've
14 pumped \$40 million into our old neighborhoods from riverboat
15 gaming taxes. We've pumped \$6.8 million in the last six years
16 into our local school system. The elementary and the high school
17 systems that operate within the city limits of Joliet receive
18 over \$1 million a year from us. The money is not earmarked for
19 employees' salaries but it's earmarked for brick and mortar
20 operations and also buying computer equipment and other things
21 that certainly help educate the students of Joliet.

22 One of the proudest accomplishments that we've had
23 with riverboat gaming revenue is basically retiring our own
24 mortgages. In 1991, before riverboat gaming began, the city of
25 Joliet had \$68 million in general obligation bonds that were to
26 be paid over the next 20-some years. The City Council of our
27 city committed 15 percent of all riverboat gaming revenue that we
28 receive each year to a retirement fund that would retire the debt
29 on our GO bonds by the year 2001. We'll be debt free. It's just

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1 like any of us who may win the Powerball tonight, one of the
2 things we may do tomorrow morning is consider paying off our
3 mortgage a little early. And that's one thing that the city of
4 Joliet committed itself to doing. The Bond Council for the city
5 of Joliet is not very happy. It's sort of like being the World
6 Series ticket director for the Chicago Cubs. He just doesn't
7 have much work to do anymore.

8 Another thing that our City Council committed itself
9 to is citizen tax breaks. We've capped our real estate taxes.
10 My tax bill came in Monday's mail and my city of Joliet portion
11 of the tax bill continues to go down each year because we have an
12 increase in assessed valuation and the City Council is not
13 raising the tax levy because we are able to use riverboat gaming
14 revenue to keep that capped. We've also eliminated many customer
15 service charges on our water and sewer bill. I should have
16 brought a sample to you because you'll see our water and sewer
17 bill has several line items on it that will say zero dollars
18 abated by riverboat gaming revenue, several customer service
19 charges that we used to impose on our residents.

20 We've eliminated the vehicle stickers. Those of you
21 who aren't from Illinois, when you go out to the parking deck
22 that you're parked in today, take a look at most of the cars
23 around you. They'll have a vehicle sticker on there that you
24 have to buy from your local municipality in which you reside
25 which usually costs \$25, \$30, maybe even more. We've eliminated
26 that. Many of us with two or three cars have gotten a small tax
27 break.

28 The city of Joliet has used riverboat gaming revenue
29 to build new buildings. We've built two new fire stations and

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1 actually one fire station is a renovation of an old building that
2 we thought would have to be demolished some day but we were able
3 to save it and make it into a beautiful new fire station in the
4 downtown area. We've also built a new police station. Our
5 police officers have all been assigned brand new police cars that
6 they drive home. Each one has a car. They're required to park
7 them outside so we have a strong police presence in our
8 neighborhoods. So you always have that feeling that there's
9 somebody there to help you if you do need help.

10 We've expanded our city library that was designed by
11 Daniel Burnham who designed the lake front of this fine city.
12 Daniel Burnham would be very proud of us because we didn't put
13 just a square box annex onto his fine work of art. We made it
14 match, and we used riverboat gaming revenue to do that. We've
15 also renovated city hall that had been neglected for many, many
16 years.

17 Since the advent of riverboat gaming in the Joliet
18 area, we've seen a tremendous boost in retail operations, new
19 stores coming to our area, as well as new housing. We have over
20 1,000 building permits issued each year for single family homes.
21 Now, remember, earlier I said we issued 16 building permits in
22 one year, in 1982. Now, we're issuing 16 or so every week and
23 that's because Joliet has been discovered again and people are
24 moving there. And they choose to move there because it's a great
25 place to live.

26 The local economy has prospered as a result of
27 riverboat gaming. There are many support organizations, support
28 businesses that have done quite well servicing the gaming
29 companies. For example, the gaming companies sell a lot of hot

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1 dogs on their boats and in their pavilions. The local baker
2 provides the buns for those hot dogs and has done quite well.
3 He's expanded his facility which is located in the Joliet city
4 center and has opened up a branch facility in our growing area on
5 the far west side. Other examples, the dry cleaning business
6 that takes of the uniforms for the gaming companies have
7 prospered quite well. Realtors have prospered quite well, as
8 well as lawyers who handle real estate closings for all of the
9 people that have moved into town who are affiliated with the
10 gaming companies.

11 What didn't happen as a result of riverboat gaming?
12 Crime. There was no crime that any of us could detect as a result
13 of riverboat gaming. There's been no theft problem, no
14 prostitution problem. We've not had a single gentlemen's club
15 open up or an adult book store open up as a result of riverboat
16 gaming. It's not Sodom and Gomorrah in Joliet as has been
17 predicted by some other panelists earlier today.

18 What's happened to the discretionary dollars of our
19 residents, I know you'll heard later on that riverboat gaming
20 companies cannibalize the local economy. That's not the case in
21 Joliet. We have new bowling alleys opening up. We have multi-
22 plex theatres opening up. We have book stores opening up. We
23 have golf courses opening up. A week from Friday we have the
24 Route 66 raceway which will attract 130,000 people the last
25 weekend in May for a national event for racing, car racing.
26 Those are all discretionary dollars that are staying in the city
27 of Joliet and that our residents are able to spend on those
28 activities.

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1 Our residents view riverboat gaming as another
2 entertainment venue. Those few that do go to the complex, I
3 think the Illinois Gaming Board would tell you that most patrons
4 of riverboat gaming facilities in Illinois come from at least 25
5 miles away and not from the locality where the gaming operation
6 is located. One thing we've learned not to do is subsidize our
7 municipal operations. We don't pay our employees with riverboat
8 gaming revenue. We don't become dependent upon it. If the boats
9 floated away today, we would operate quite nicely. We may not be
10 repaving as many streets as we've done in the past; we may not be
11 building new fire stations and buying new fire trucks but we will
12 not have to lay off our people because we are not dependent upon
13 riverboat gaming revenue to make our city work.

14 Also there are many immeasurable things that the
15 riverboat gaming operation has brought to our city. One thing
16 that I know from being a resident of Joliet for a long time,
17 being third generation, we feel a lot better about Joliet. We
18 like it as a place to live. We used to view ourselves as you
19 probably viewed us, where Stateville is located even though
20 Stateville is not within the city limits of Joliet. You may have
21 heard about it in movies, the Blues Brothers and a few other
22 movies. We don't perceive ourselves as that anymore. We have a
23 very positive outlook on the city of Joliet. It's become a
24 destination place. Tourists come to Joliet now, not only for our
25 riverboats but for our theatre, for our walkways, for our bike
26 paths and many things that are there.

27 The center for economic development, in March of this
28 year, recently issued -- it's actually a quality indicator for
29 economic development report and it shows that the quality of life

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1 in Joliet and the Will County area has substantially increased
2 since 1985. Harrah's and Empress have been outstanding corporate
3 citizens. They sponsor many events. They're the first on every
4 charity list for a donation and you see them involved in every
5 single community activity that we have in our area.

6 I know there was an earlier reference this morning to
7 campaign contributions and how the riverboat operators sometimes
8 take over local politics. As soon as the boat companies came to
9 town, our City Council imposed a cap on campaign contributions
10 for local elections of \$250 per election across the board.
11 Originally it was going to be aimed at the riverboat companies,
12 but we decided to impose it across the board. So we don't have
13 the domination of local politics by any one particular industry.

14 One thing I do want to answer is the question that
15 was raised this morning, what do you tell your mayor friends that
16 call you and say what about this riverboat gaming, should we do
17 it in our town. The first question I would shoot back at them is
18 what town are you from. If you say you're from Chicago or you're
19 from Rosemont or you're from Shaker Heights, Ohio or you're from
20 a very fine city that has a thriving economic base, you don't
21 need riverboat gaming. When you look at the legislation in
22 Illinois and other states, riverboat gaming was designed to be an
23 economic tool to help dying rust belt towns.

24 For example, similar to TIF legislation, tax
25 abatements, enterprise zones, those types of things, that's how
26 riverboat gaming should also be used.

27 I see my time is up. I thank you for the opportunity
28 to make my presentation.

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1 CHAIRMAN JAMES: Thank you very much. Anything that you'd like to
2 submit in writing in addition to that, we'd be happy to hear.

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